

Letter to Congressional Leaders Transmitting the Executive Order Implementing the Clean Diamond Trade Act *July 29, 2003*

Dear Mr. Speaker: (Dear Mr. President:)

Consistent with section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(b), and section 301 of the National Emergencies Act, 50 U.S.C. 1631, I hereby report that I have issued an Executive Order (copy attached) to implement the Clean Diamond Trade Act, Public Law 108–19 (the “Act”), which authorizes the President to take steps to implement the Kimberley Process Certification Scheme (KPCS) for rough diamonds in the United States. In addition, my Executive Order amends Executive Orders 13194 and 13213 to harmonize those orders with the Act and to reflect recent developments in Sierra Leone and Liberia. The prohibitions in section 1 and 3 of the order take effect at 12:01 a.m. eastern daylight time on July 30, 2003, and the remaining provisions of the order take effect immediately.

On January 18, 2001, the President issued Executive Order 13194 taking into account United Nations Security Council Resolution (UNSCR) 1306 of July 5, 2000. That order declared a national emergency in response to the role played by the illicit trade in diamonds in fueling conflict and human rights violations in Sierra Leone and prohibited the importation into the United States of rough diamonds from Sierra Leone that were not controlled by the Government of Sierra Leone through its Certificate of Origin regime.

On May 22, 2001, I issued Executive Order 13213 taking into account UNSCR 1343 of March 7, 2001. That order expanded the scope of the national emergency declared in Executive Order 13194 to respond to, among other things, the Government of Liberia’s complicity in the illicit trade in rough diamonds through Liberia. Executive Order 13213 prohibited

the direct or indirect importation into the United States of all rough diamonds from Liberia, whether or not such diamonds originated in Liberia, except to the extent provided in regulations, orders, directives, or licenses issued pursuant to the order.

The United Nations ban against the importation of rough diamonds from Sierra Leone without a certificate of origin, imposed by UNSCR 1306 and renewed by UNSCR 1446 of December 4, 2002, expired on June 4, 2003. The United Nations Security Council decided not to renew the measure in light of the Government of Sierra Leone’s increased efforts to control and manage its diamond industry and ensure proper control over diamond mining areas, as well as the Government’s full participation in the KPCS. Although the hostilities fueled by and funded with conflict diamonds have ceased in Sierra Leone, the attendant peace and stability are tentative, fragile, and jeopardized by ongoing illicit diamond production and smuggling. In addition, the Security Council, through UNSCR 1478 of May 6, 2003, renewed for 1 year the absolute import ban on rough diamonds from Liberia based on evidence that the Government of Liberia continues to breach the measures imposed by UNSCR 1343.

In a related development, representatives of the United States and numerous other countries, including Sierra Leone, announced in the Interlaken Declaration of November 5, 2002, the launch of the KPCS. Participants in the KPCS are expected to prohibit the importation of rough diamonds from, or the exportation of rough diamonds to, a non-Participant and to require that shipments of rough diamonds from or to a Participant be controlled through the KPCS. The Clean Diamond Trade Act, which I signed on April 25,

2003, enables the United States to implement the KPCS by providing that, when the Act is in effect, the President shall, subject to certain waiver authorities, prohibit the importation into, or exportation from, the United States of any rough diamond, from whatever source, that has not been controlled through the KPCS.

My Executive Order will implement the Clean Diamond Trade Act and amend Executive Orders 13194 and 13213 to harmonize those orders with the Act and to reflect recent developments in Sierra Leone and Liberia. Section 1 of the Executive Order puts in place, as of July 30, 2003, the prohibitions of section 4(a) of the Clean Diamond Trade Act. Section 2 of my Executive Order assigns various functions of the President under the Act to the Secretary of State and the Secretary of the Treasury, including authorizing the Secretary of the Treasury to issue implementing regulations.

Section 3 of my Executive Order amends Executive Orders 13194 and 13213 in the following ways. Executive Order 13194 is revised to control rough diamonds from Sierra Leone through the KPCS, rather than through the Certificate of Origin regime of the Government of Sierra Leone. Execu-

tive Order 13213 is revised to remove, consistent with section 4(a) of the Clean Diamond Trade Act, licensing and other authorities with respect to rough diamonds from Liberia.

Finally, section 4 of my Executive Order provides that for the purposes of the order and Executive Order 13194, the definitions set forth in section 3 of the Act shall apply, and that the term “Kimberley Process Certification Scheme” shall not be construed to include any changes to the KPCS after April 25, 2003.

My Executive Order demonstrates the U.S. commitment to exclude conflict diamonds from international trade, while promoting the legitimate trade in rough diamonds that is so vital to many nations in Africa and elsewhere.

Sincerely,

GEORGE W. BUSH

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard B. Cheney, President of the Senate. The Executive order of July 29 is listed in Appendix D at the end of this volume.

Letter to Congressional Leaders on Waiver Certification To Implement the Clean Diamond Trade Act

July 29, 2003

Dear Mr. Speaker: (Dear Mr. President:)

The Clean Diamond Trade Act (Public Law 108–19) (the “Act”) authorizes the President to prohibit the importation into, or exportation from, the United States of any rough diamond that has not been “controlled through the Kimberley Process Certification Scheme.” Section 15 of the Act provides that the Act shall take effect on the date on which the President certifies to the Congress that (1) an applicable waiver that has been granted by the World

Trade Organization (WTO) is in effect, or (2) an applicable decision in a resolution adopted by the United Nations Security Council pursuant to Chapter VII of the Charter of the United Nations is in effect. Section 15 further provides that the Act shall thereafter remain in effect during those periods in which, as certified by the President to the Congress, such an applicable waiver or decision is in effect.

On May 15, 2003, the WTO General Council (copy attached) adopted a waiver